

## Bank of Queensland 2024 AGM Report

<b>ASX code</b>	BOQ
<b>Meeting date</b>	Tuesday, 3 December 2024
<b>Type of meeting</b>	Hybrid
<b>Monitor</b>	Paul Donohue & Noel Ambler
<b>Pre AGM-meeting</b>	Yes, with Warwick Negus (Chair) and Patrick Allaway (CEO)

### Meeting Statistics

<b>Number of holdings represented by ASA</b>	119
<b>Number of shares represented by ASA</b>	1,029,279
<b>Value of shares represented by ASA</b>	\$7m
<b>Total number attending meeting</b>	156 in person and 477 online
<b>Market capitalisation</b>	\$5.52 billion
<b>ASA open proxies voted</b>	ASA voted in favour of the resolutions.

This year's BOQ AGM was a marathon. The meeting ran for three hours with the first item of business taking two hours. BOQ doesn't lend money to fossil fuel companies so the drawnout proceedings were not caused by climate activists. Rather, it was the Bank Warriors asking a never ending stream of questions about specific customer issues, BOQ's operations, and the banking system in general.

Bank bashing is a national sport, so the warriors always have a level of support at the AGM. You must give the BOQ board credit for the way they handled this barrage of questions. They were respectful and answered as best they could within the constraints of customer confidentiality.

It was all too much for some people. As the clock struck twelve, I noticed that about half of the room had snuck out for lunch.

Apart from the warriors, the main theme of the meeting was the change to the branch network ownership. BOQ is converting all 114 Owner Managed Branches to corporate branches, which will give them more control over the network. Some in the audience thought control was a code word for branch closures and job cuts. Representatives of the Financial Services Union tried to pin the board down on those topics.

The reality is, less than 1% of bank transactions are now performed in bank branches. Granted that 1% includes some of the more complex interactions that don't lend themselves to online delivery, especially with the older demographic. But the writing is on the wall for bank branches,

and they seem destined for the same fate as DVD rental shops and independent hardware stores. Customers have voted with their feet.

At least BOQ is trying to tackle this problem head on. They plan to repurpose their branch network to focus on small business customers whose complex financial needs require a personal relationship with a banker. This will be paired with a revamped technology stack that should improve the online customer experience for everyday deposit and lending transactions. If everything goes to plan, the two-pronged strategy should make BOQ a more focussed and efficient bank.

ASA asked how long it would take to recoup the \$115m cost of buying back all those branches but we didn't really get an answer. Apparently BOQ don't look at it as a single transaction with a defined payback period and we should be thinking holistically in the context of broader transformation.

We got some clarity on how much progress had been made in the technology transformation. But we still didn't get an answer on when it will be complete. Chatting with executives afterwards suggest "at least a few more years".

There was a contingent agenda item for a board spill, but the remuneration report was passed, which removed the second-strike trigger. ASA voted in support of all resolutions, and they were easily passed with support ranging from 93% to 97%.

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